

The complaint

Mrs K is unhappy with how Mitsubishi HC Capital UK PLC trading as Novuna Personal Finance (Novuna) handled a quality of goods claim she made to them.

What happened

Mrs K purchased a sofa from a supplier I shall call 'R' in December 2022. This was taken out under a fixed sum loan agreement with Novuna at a cost of £2927.00. The sofa was subsequently delivered to Mrs K on 25 October 2023.

Mrs K was dissatisfied with the quality of the sofa and said it contained a large gap as well as uneven joining. She therefore contacted Novuna towards the end of December 2023 to raise a Consumer Credit Act 1974 ("CCA") section 75 claim ("S75") against them.

Novuna notified R, who in turn sent an independent furniture technician to inspect the sofa on 31 January 2024. They determined there was a manufacturing fault with the frame and performed repairs to address this. The service report at the time confirmed Mrs K was happy with the repairs conducted to fix the issue.

Mrs K contacted Novuna again on 2 February 2024 as she felt the repair had failed as one sofa cushion felt smaller than the other. Novuna arranged a subsequent inspection of the sofa on 8 April 2024, however no faults were found and the sofa was considered within manufacturing tolerance.

Mrs K didn't agree and felt that she was due a full refund for the sofa not being of satisfactory quality. Novuna didn't agree as the inspection of April 2024 concluded the sofa didn't have any further faults and they sent their findings to Mrs K on 18 April 2024.

As Mrs K didn't agree with the outcome to her claim, she raised a complaint with Novuna on 26 June 2024. Novuna maintained their position that Mrs K didn't have a successful claim and she wouldn't be due a refund for her sofa.

As Mrs K remained dissatisfied, she referred the complaint to our service in July 2024.

Our investigator looked at the complaint and considered both whether Mrs K had a valid chargeback claim against R, and a S75 claim against Novuna.

Regarding chargeback, as the purchase wasn't made by a debit or credit card, they said there wasn't a possibility of a chargeback claim against R.

In terms of a S75 claim, the investigator said that the repair service report of January 2024 concluded that appropriate repairs had been completed and Mrs K had agreed. However while Mrs K subsequently changed her mind, the later inspection in April 2024 said the sofa was of a satisfactory quality.

Our investigator therefore reached the conclusion there was insufficient evidence the sofa wasn't of a satisfactory quality and Novuna need do anything more.

Mrs K didn't agree and asked for an ombudsman to make a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Novuna aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mrs K made the purchase using a fixed sum loan agreement, a S75 claim could possibly help her. So in deciding what is fair and reasonable I've focussed on this.

I must also note that I agree with the investigator that Novuna wasn't in a position to also look at a chargeback claim against R. This was because the sofa was purchased with a fixed sum loan agreement with them, rather than the use of a debit or credit card which would be required for a chargeback claim.

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services. I'm satisfied here following review of the available evidence that the requirements have been met for the S75 claim to be considered.

The Consumer Rights Act 2015 (CRA) also says that goods must be of satisfactory quality when they're supplied. If they aren't, then a breach of contract can be said to have occurred.

In order to assess a valid claim, Novuna needed to consider all relevant evidence with regard to the alleged breach of contract. Mrs K explained the details of her claim in December 2023 which prompted Novuna to raise the matter with R, who in turn arranged an inspection and repair the following month.

I note Mrs K told us that these repairs were minimal at the time, simply involving pushing the sofa together. However when she then later sat on the sofa, she found it had reverted to its earlier state.

I've reviewed the inspection report and it says the technician had adjusted the sofa seat mechanism and also refitted the back section to rectify the issue. I note Mrs K accepted the repairs were satisfactory at the time although she felt shortly after that this wasn't actually the case.

A second inspection was therefore conducted in April 2024. The report concluded the following:

“On inspection tech has found that all backs and seats are within manufacturing tolerance with all units connected as standard, All gaps between seat units are even with reported gap being more visible as there is direct sunlight behind the furniture”.

Based on this inspection, no further actions were necessary and it was felt the sofa was of satisfactory quality as it was within manufacturing tolerance. I understand Mrs K was away at the time and so the inspection occurred while her son was present.

Mrs K has also provided photos of her sofa fittings and said that there were two different types used on both sides of the sofa corner units. She said smaller fittings were used on the right hand side recliner and a much larger bulkier fitting on the left hand side recliner and adjacent seat. This has meant that the right recliner has no gap but the left one has a wider gap.

While Mrs K has noted a discrepancy in the fittings used, the second inspection concluded there wasn't any further rectification needed as the seats were within required manufacturing tolerances. Novuna therefore didn't agree any further rectification work was needed but they did suggest that Mrs K could provide an independent inspection report to evidence any further fault with the sofa.

Mrs K declined to provide an independent inspection report and said she felt that if the photos submitted weren't enough evidence, she didn't believe the content of a report would be accepted either.

While I appreciate Mrs K's frustration, the independent inspection in April 2024 did conclude further work wouldn't be necessary and the sofa was of a satisfactory quality. Therefore I would then expect the consumer to provide sufficient countering evidence that this wasn't the case. It's difficult to extrapolate purely from the pictures of these particular fittings that the sofa wouldn't confirm to standards. A more detailed report would be needed to conclude that further rectification would be required.

I appreciate Mrs K considers the photographs are enough but I agree it would be appropriate for a professional independent inspection to be arranged if she still feels the sofa has this inherent fault. If this shows that the sofa is not of a satisfactory quality, this report can then be submitted to Novuna to consider further regarding her S75 claim.

In conclusion, and based on the evidence available at this time, I won't be asking Novuna to do anything more.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 28 March 2025.

Viral Patel
Ombudsman